

Observations on Senate Committee on Post Office and Civil Service Hearing, 28 April, in re Pay Legislation.

(Present: Senators Johnston, Monroney, Randolph, Carlson, Fong, and Brunsdale)

All three witnesses before the Committee today expressed precisely the same Administration objections to general Federal employee wage increases at this time as they previously set forth in their respective appearances before the House Committee. Their prepared statements will be found to be virtually identical.

Questioning by Chairman Johnston and Senator Randolph generally followed the press release of the Chairman. The gist of their challenge to all the witnesses implied indefensability of the delay for the BLS survey,- a delay which all agreed would preclude action until after the end of the current calendar year.

In addition Mr. Jones was called on to say whether the record of the present Administration is not one of constant opposition to Federal pay increases. In reply Jones cited instances of sympathetic action, but pleaded for complete overhaul of the classified wage structure, which he maintained could evolve only from valid basic study (i.e. the BLS study). He characterized the Administration position as opposition to general pay increase, but not to the principle of selective correction of inequities.

Mr. Stans' reading of his statement was interrupted by Sen. Randolph who asked whether the position of the Administration is not at variance with its philosophy in exerting pressure to settle the steel strike by encouraging increased benefits for the workers. When Stans said he did not possess the information on which to base a reply, Sen. Randolph and Sen. Johnston both took the attitude that, since the Administration advocates private industry as a yardstick, the steel settlement formula should be furnished to the Committee for comparability usefulness. The witness agreed to procure information on this for the Committee.

The Chairman disputed Mr. Stans estimates of the overall cost of wage increases, pointing out that increased income for Federal workers would mean increased collection of income taxes, hence considerably less net outlay than forecast. Hypothesizing a 10% increase, Sen. Johnston elicited the admission that considerably less than 10 % of the present Federal payroll would result.

Citing the statement, Sen. Johnston wanted to know what Federal workers are considered to be receiving too much pay. Mr. Stans said he could not be specific except to say that studies to date indicate that the three lowest classified grades pay more than comparable jobs in private enterprise

Both Senators Johnston and Randolph asked whether Stans would be opposed to interim increases to correct sub-standard salaries where they can be demonstrated to exist. Until the BLS study is complete, Mr. Stans said, "the Administration and I both oppose increases. If inequities exist they would be compounded. We have a responsibility to all the people of the country, and not just to (Government) employees.

Mr. Carlson led the witness to affirm that Federal workers have received more and larger pay increases, as well as substantial increases in fringe benefits, during the past seven years than during any comparable period in history. Sen. Carlson's effort to derive a dollar estimate for a 10% increase was thwarted by the Chairman who again imposed his theory of "20% to 25%" difference between the gross increase and the net increase after augmented income taxes.

Questions addressed to Mr. Clague were largely to clarify procedural understanding, and to satisfy the Committee that the time being taken is really necessary. Upon request of Committee Counsel, Mr. Clague agreed to furnish the approximately 30 city studies which have been completed.

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PAY HEARINGS
COMMITTEE ON POST OFFICE & CIVIL SERVICE
UNITED STATES SENATE

April 28, 1960

9:30 a.m.

Room 6202, New Senate Office Building

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THE FOLLOWING WILL TESTIFY:

Honorable Roger W. Jones
Chairman
U. S. Civil Service Commission

Honorable Maurice H. Stans
Director
Bureau of the Budget

Mr. Ewan Clague
Commissioner of Labor Statistics
U. S. Department of Labor